



## CPM Updates

Every Student Succeeds Act (ESSA)  
Uniform Grants Guidance  
Coordinated Spending Guide

Spring 2016 Fiscal Workshops



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# Overview

- Every Student Succeeds Act: Highlights and General Overview
- Coordinated Spending Guide
- Uniform Grants Guidance - Procurement

# Every Student Succeeds Act

- December 10, 2015 the Every Student Succeeds Act (ESSA) was signed into law.
- ESSA contains new policies that will affect existing systems and structures for assessment, accountability, and reporting in Tennessee.
- TDOE is currently engaging with USEd on understanding the law and the implications for our school systems.

# Timeline for Implementation

- ESEA flexibility waivers “null and void” as of August 1, 2016
- Effective date for competitive grants is October 1, 2016
- States are required to have plans in place and **fully implemented by 2017-18.**
- Report Card with updated elements by fall 2017

# Timeline for Implementation

- Orderly Transition Provision: **non-competitive state formula grant programs take effect 2017-18** (Title I, II, III, IV) per Consolidated Appropriations Act, 2016. Funds awarded under NCLB this July (state fiscal 2017).
- Exceptions: 1111(b)(2) and 1116 of NCLB are effective until Aug 1, 2016. During 2016-17 school year, priority and focus schools must implement the interventions required by ESEA Flexibility (5(e)(2)(B)(ii)) of ESSA.

# Key Differences

- **New:** States now in the driver's seat
  - More authority to make decisions regarding assessments, goals, and accountability standards
  - States also responsible for enforcing many requirements (though subject to USEd regulation)
- **New:** Consolidates/eliminates smaller grant programs
- **New:** The “big acronyms” have been eliminated
  - No more AYP, HQT, or SES
- **New:** Limitations on Secretarial authority
  - Especially around state plans and waivers



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# Every Student Succeeds Act Program Highlights

# ESSA: Title I

- Funding formula remains the same
- Change in set aside requirements for school improvement, parent engagement, and homeless
- Optional state-level set aside: additional 3% for Direct Services
  - Sub-granted to LEAs with priority to LEAs with high percentage of schools identified for comprehensive or targeted improvement
    - Credit recovery, AP/IB costs, high quality academic tutoring (from state-approved list), transportation for school choice, CTE coursework

# ESSA: Title II

- Highly Qualified Teacher requirements no longer in effect after 2015-16 school year
  - Educational assistants must still meet requirements
- Adjustment to Title II funding formula phased in through 2020
  - Transition gradually to 80% poverty, 20% population
- Mathematics and Science Partnerships grants eliminated
- Change in how equitable services is calculated

# ESSA: Title III

- Accountability moves to Title I (no AMAOs)
- English Learner (EL) will replace Limited English Proficient (LEP)
- States may choose to reward districts financially or recognize them for successful EL achievement or progress
  - Title III could be used for such rewards
- Creates an identification period (within 30 days of enrollment) for all incoming potential ELs

# ESSA: Title IV

## Student Support & Academic Enrichment

- **New:** Federal formula grant to states allocated by Title I formula
- Sub-grants to LEAs
  - Prioritize funding to schools with greatest need, highest poverty level
  - \$30,000 minimum grant for spending funds on all of the three areas of focus
  - If less than \$30,000, required to focus on at least one

# ESSA: Title IV

## Student Support & Academic Enrichment

- Grant is to support
  - well-rounded educational opportunities (20%)
  - safe and healthy students (20%)
  - effective use of technology
    - infrastructure (no more than 15%)

# ESSA: Preschool Development Grants (Sec. 9212)

- Competitive early learning grant
- One-year grant with the ability for planning, coordination, and improvement activities
- Three-year renewal grant for same activities
  - In first year, 60% of funds must be used for sub-grants to increase early learning
  - In second and third years, 75%

# ESSA: Preschool Development Grants (Sec. 9212)

- States must designate lead agency, coordinate with Health & Human Services (HHS)
- State matching requirement
  - Non-federal match of at least 30% of the grant total
  - Matching funds must support activities supported by the grant



# Equitable Services

- **New:** Proportionate share to be calculated BEFORE any allowable expenditures or transfer by LEA
- **New:** Funds allocated for eligible non-public students must be obligated in the fiscal year for which the funds are received; NO carryover
- Non-public school students also must get equitable share of certain district set asides:
  - Instructional set asides
  - Parental involvement
  - Professional Development

# ESSA: Transferability and School-wide Provision

- As in the ESEA Flexibility Waiver, LEAs can continue to transfer up to 100% of their funds under Title II-A, Title IV-A, or Title VI, into but not out of, Title I parts A, C, or D, Title III-A, or Title V-B.
- **New:** School-wide provision allows states to waive 40% poverty threshold to operate a school-wide program.

# Supplement not Supplant – Title I

- General language of § 1120a (supplement not supplant) remains, however in ESSA, **the Title I test for supplanting has changed**
- No longer an expenditure-level test
- To comply a district must annually demonstrate, that the methodology it uses to allocate state and local funds to each Title I school ensures that the school receives all of the state and local funds it would otherwise receive if not a title I school
  - Applicable to school-wide and targeted assistance schools

# Maintenance of Effort (Sec. 8521)

- LEA is not subject to sanctions for failing to maintain 90% effort for one year (either combined fiscal per student or aggregate state and agency expenditures) provided it has not failed to meet MOE for one or more of five immediately preceding fiscal years
- May waive MOE requirements in case of change in organizational structure of LEA

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Next Steps

# ESSA: Regulations and Guidance

- No regulations or non-regulatory guidance have been released by USEd
- Negotiated rule making began on March 21
  - Locally accepted or national high school test
  - SWD alternative assessments one percent cap
  - Inclusion of English learners (ELs)
  - Assessments
  - Supplement not supplant
- Anticipated topics for future rule making
  - Accountability
  - Report card requirements
  - School improvement

# Additional Training: Fall 2016

- Currently awaiting regulations to be drafted by USEd (expected fall 2016)
- Additional training will be provided to district leadership and other personnel in fall 2016
- ESEA Directors Institute August 23–25, 2016
  - Tiffany Winters with Brustein & Manasevit, PLLC

# ESSA Update Questions





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# **Coordinated Spending Guide: Braiding & Blending Funds**

# Coordinated Spending Guide

## ■ Introduction

- The purpose of the manual is to help local educational agency (LEA) leaders make the most out of the more than \$700 million Tennessee receives each year from the U.S. Department of Education (USED).
- While this money is distributed through individual federal grant programs, local educational agencies (LEAs) should leverage these funds by coordinating grant spending to support activities that drive performance and improve outcomes for all students.

# Challenges

- Each federal grant has a purpose and often rules of what they can be used for and how students can benefit from services (allowable uses, eligible students)
- Lack of clarity over how federal formula funding sources that can be used can inhibit the implementation of comprehensive strategies with federal funds
- LEAs are reluctant to use these funds in coordination with other funds
- Results in programs being operated in silos
  - Silos previously existed at the federal level

# Opportunities

- More recent coordination and collaboration between major federal grant programs at the federal level
- The Every Student Succeeds Act (ESSA) includes provisions to support more flexibility in use of funds
- **So how do we support districts in using these funds collaboratively?**

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# Coordinated Spending Guide

# Coordinated Spending Guide

We must put aside our *turfs* and our *purse-strings*, in order to overcome the challenges that dwindling resources present... It is critical for all leaders at the district level to support this effort, in order to empower all personnel to collaborate in new and effective ways... Managing change is difficult and to be successful, we have to meet the needs of all children, regardless of the ways we choose to fund programs.

**Far too often, in our silos we have said, "No, we can't do that because..." rather than working together to eliminate the silos.** We are [too] comfortable with the inflexibility we have created.

Center for Mental Health in Schools at UCLA, *Rethinking District Budgets to Unify and Sustain a Critical Mass of Student and Learning Supports at Schools*, available at: <http://smhp.psych.ucla.edu/pdfdocs/financebudget.pdf>.

# Flexibility Permitted by Federal Law

- Such coordination is permitted by federal law and encouraged by the Tennessee Department of Education (TDOE).
- This manual provides guidance to LEAs in coordinating funds by:
  - Defining braiding vs. blending funds
  - Addressing barriers that hinder LEAs from coordinating funds
  - Providing examples of how federal grants can be coordinated to support promising initiatives
  - Providing overviews of ED's largest grant programs, with a focus on how districts can maximize these funds to support district priorities

# LEA Flexibility to Braid & Blend Funds

## ■ Braiding Funds: District-level Flexibility

- Using multiple funding sources in a collaborative manner to support educational initiatives to ensure consistency and eliminate duplication of services while maintaining individual program identity.
- Braiding funds is a way for LEAs and schools to use multiple federal grants to support various parts of an initiative.
- Activities are allowable under each applicable grant and the grants continue to maintain their identity and expenditures for each are maintained by the LEA or school.
- **Funds maintain their original award-specific identity.**



# LEA Flexibility to Braid & Blend Funds

## ■ **Blending Funds: School-level Flexibility**

- Combining multiple funding sources to support educational initiatives to ensure consistency, eliminate duplication of services and reduce burden. Blended funding allows for more flexibility than braided funding.
- In school-wide programs, eligible grants and other resources are combined into a single pool under a single set of reporting requirements.
- **Funds lose their original award-specific identity.**

# Utilizing the Guide

- **SECTION I:** Coordinated Spending to Maximize Funds
- **SECTION II:** Framework for Coordinated Spending
- **SECTION III:** Comprehensive Initiatives – Funding Quick Guides
- **SECTION IV:** Considerations When Braiding or Blending Funds
- **APPENDIX:**
  - Supplement Not Supplant
  - Program Overviews

# Comprehensive Initiatives – Funding Quick Guides

- The charts illustrate how state, local, and federal funds can be used to support the sample comprehensive initiatives detailed in this section.
- Note that in some cases it may be possible to support a component cost with more than one federal funding source.
- It is important to note that both the school and district level examples presume that Title I schools within the district are operating school-wide programs.

# Comprehensive Initiatives – Funding Quick Guides

Improve Effective Instruction for Literacy & Numeracy														
Note: Where Title I funds are marked, the use of funds is only allowable in Title I schools operating school-wide programs.														
* If the funds are marked with an *, the specific program requirements must be met for eligible teacher and/or student activities. Reference appendix for program overviews and supplement not supplant requirements applicable to each program.														
ACTIVITIES  * Funding must meet the specific program requirements for eligible school, teacher, and/or student activities.	State Local	ESEA								IDEA			Perkins *	
		Title I			Title II		Title III, A *	Title IV, B *	Title VI, B *	Title X *	Part B *	CEIS (15%) *		Pre- K *
		A	1003 (a) *	1003 (g) *	A	B *								
LEA Level			iZone	iZone										
Purchasing supplemental instructional materials	X	X	X	X		X	X	X	X	X	X	X	X	X
Supporting data analysis	X	X	X	X	X	X	X		X		X	X		X
Teacher mentoring and coaching	X	X	X	X	X	X	X		X		X	X		X
Professional development activities	X	X	X	X	X	X	X		X		X	X		X
Induction programs for new teachers	X	X	X	X	X	X	X		X		X			
Financial incentives and awards to attract and retain effective teachers for priority and focus schools, or hard to staff areas	X	X	X	X	X	X			X		X			
Principal academies to improve the instructional leadership skills of principals	X	X	X	X	X		X		X					
School Level														
Purchasing effective instructional materials, including intervention materials for struggling students	X	X	X	X		X	X	X	X	X	X	X	X	
Induction programs for new teachers		X	X	X		X	X							X
Teacher mentoring and coaching	X	X	X	X	X	X	X		X		X			X
Professional development on effective instructional practices for teachers and principals (including stipends to teachers for participating in professional development and release time)	X	X	X	X	X	X	X		X		X	X	X	

# Comprehensive Initiatives – Funding Quick Guides

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		A	1003 (a) *	1003 (g) *	A	B *								
School Level														
Professional development on effective instructional practices	X	X	X	X	X	X	X		X		X	X	X	X
Professional development on effective classroom management	X	X	X	X	X		X		X		X		X	X
Stipends and release time for mentor teachers	X	X	X	X	X				X		X			X
Teacher leader programs	X	X	X	X	X	X			X		X			
Extra pay, or other programs, for exemplary teachers	X	X	X	X	X				X		X			
Purchasing effective instructional materials to meet the needs of students with disabilities	X	X	X	X		X	X				X		X	
Purchasing assistive technology to help students with disabilities access effective instruction	X										X		X	
Planning and implementing new learning environments supportive of all learners, including students with disabilities, within an inclusive setting (depending on how this is implemented, IDEA might only be able to pay for part of the cost of this activity)	X	X	X	X			X		X		X			
Teacher mentoring and coaching relevant to meeting the needs of students with disabilities	X	X	X	X	X	X	X		X		X		X	
Professional development relevant to meeting the needs of students with disabilities	X	X	X	X	X	X			X		X		X	

# Accessing the Coordinated Spending Guide

- Printed copies were provided October – December at Regional Superintendent Study Council Meetings
- The guide is posted on ePlan in the LEA Document Library under the “General” folder
- Once ESSA regulations and non-regulatory guidance is issued, guide will be updated to reflect appropriate sections of the new law

# Questions



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# Uniform Grants Guidance



# Most Significant General Changes

- Auditors (A-133 + federal OIG) and Monitors (federal and State Pass-Through) must look more to “outcomes” than to “process”
- The Omni Circular has a MAJOR emphasis on “strengthening accountability” by improving policies that protect against waste, fraud and abuse
  - Required written policies/procedures

# Cost Principles: Factors Affecting Allowability

## ■ **\$200.403**

### All Costs Must Be

1. Necessary, Reasonable, and Allocable
2. In conformance with federal law and grant terms
3. Consistent with state and local policies
4. Consistently treated
5. In accordance with Generally Accepted Accounting Principles (GAAP)
6. Not included as match
7. Net of applicable credits
8. Adequately documented

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# Financial Management Controls: Procurement

# Open Competition: \$200.319

- All procurement transactions must be conducted with full and open competition (in Tennessee over 10,000)
- T.C.A. states that the threshold of \$10,000 or more for purchases.
  - Cumulative purposes anticipated to exceed \$10,000 must be competitively bid
- To eliminate unfair advantage, contractors that develop or draft specifications, requirements, statement of work, and invitations for bids or RFPs must be excluded from competing for such procurements

# Conflict of Interest: §200.112

- Must maintain written standard of conduct, including conflict of interest policy
- A conflict of interest arises when any of the following has a financial or other interest in the firm selected for award:
  - Employee, officer, or agent
  - Any member of that person's immediate family
  - That person's partner
  - An organization which employs, or is about to employ, any of the above or has a financial interest in the firm selected for award

# Conflict of Interest: §200.112

- **NEW:** All non-federal entities must establish conflict of interest policies, and disclose in writing any potential conflict to federal awarding agency in accordance with applicable federal awarding agency policy

# Cost/Price Analysis: §200.323

- Must perform a cost or price analysis in connection with every procurement action, including contract modifications
- **NEW:** Only required for costs in excess of the simplified acquisition threshold (\$150,000)
  - Cost analysis generally means evaluating the separate cost elements that make up the total price (including profit)
  - Price analysis generally means evaluating the total price
  - **However, TN has a lower limit of \$10,000**

# Vendor Selection Process: §200.320

- Methods of procurement:
  1. **NEW:** Micro-purchase
  2. Small purchase procedures – N/A to Tennessee
  3. Competitive sealed bids
  4. Competitive proposals
  5. Non-competitive proposals



# Vendor Selection Process: §300.320(a)

## 1) Micro-Purchase

- **NEW:** Acquisition of supplies and services under \$3,000 or less
- May be awarded **without** soliciting competitive quotations if nonfederal entity considers the cost reasonable
- To the extent practicable must distribute micro-purchases equitably among qualified suppliers

# Vendor Selection Process:

2) Small Purchase Procedures – Good or service that costs \$100,000 or less

- **NEW:** \$150,000 under 200.88
  - **TN has a lower threshold, \$10,000; therefore this procurement method is Not Applicable**
- Must obtain price or rate quotes from an adequate number of qualified sources
- “Relatively simply and informal”

# Vendor Selection Process:

- 3) Noncompetitive Proposals
- Appropriate only when:
  - the good or services is available **only from a single source** (sole source)
  - there is a public emergency
  - the awarding agency authorizes
  - **NEW:** awarding agency or pass-through must expressly authorize noncompetitive proposals in response to written requires from nonfederal entity – 200.320(f)(3)
  - after soliciting a number of sources, competition is deemed inadequate
- Cannot contract with vendor who has been suspended or debarred: <http://www.sam.gov>

# Educational Consultants or Similar Services

- *Educational Consultants and Similar Services*: In order to procure educational consultants in accordance with T.C.A. § 12-4-106(a)(1):
- Contracts by counties, cities, metropolitan governments towns, utility districts and other municipal and public corporations of the state, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services and similar services by professional persons or groups of high ethical standards, **shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity**. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

# Contract Administration: §200.318

- **Revised:** Nonfederal entities, such as TDOE, must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of the contract
  - Contractors bound by terms of contract
  - Important to include appropriate terms and conditions
  - Manage for performance

# Resources

- Uniform Grants Guidance:  
<http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>
- COFAR: <https://cfo.gov/cofar/>  
  
2 CFR 200: [http://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)  
FAQs: <http://www2.ed.gov/policy/fund/guid/uniform-guidance/faqed.pdf>  
  
EDGAR:  
<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>





*Districts and schools in Tennessee will exemplify excellence and equity such that all students are equipped with the knowledge and skills to successfully embark on their chosen path in life.*

**Excellence | Optimism | Judgment | Courage | Teamwork**



# FRAUD, WASTE, or ABUSE

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

**1-800-232-5454**

Notifications can also be submitted electronically at:

**<http://www.comptroller.tn.gov/hotline>**